

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

In re:	)	
	)	Case Number 12-49658-705
<b>BAKERS FOOTWEAR GROUP, INC.,</b>	)	Chapter 7
	)	Hearing Date May 1, 2013
Debtor.	)	Hearing Time 10:00 a.m.
	)	Hearing Location 7 <sup>th</sup> Floor South
	)	

**TRUSTEE'S MOTION TO: (A) APPROVE FINAL WINDING DOWN OF BUSINESS OPERATIONS, (B) APPROVE PAYMENT OF RELATED EXPENSES AND COSTS IN CONNECTION THERETO AND (C) AUTHORIZE TRUSTEE TO TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE THE WINDDOWN and NOTICE OF HEARING**

**WARNING:** Any response or objection shall be filed with the Court by April 30, 2013. (See L.R. 9013-1(B) and 9013-2(B), *or other Rules as applicable*). A copy shall be promptly served upon the undersigned. Failure to file a timely response may result in the Court granting the relief requested prior to the hearing date.

**PLEASE TAKE NOTICE** that a hearing to consider the Trustee's Motion will be held on **May 1, 2013 at 10:00 a.m.**, before the Honorable Charles E. Rendlen, United States Bankruptcy Court, 111 South Tenth Street, 7<sup>th</sup> Floor South Courtroom, St. Louis, MO 63102.

COMES NOW the Trustee, and for his Motion to: (A) Approve Final Winding Down of Business Operations, (B) Approve Payment of Related Expenses and Costs in Connection Thereto and (C) Authorize Trustee to Take Any and All Action Necessary to Complete the Winddown, (the "Motion"), states to the Court as follows:

**Background**

1. Baker's Footwear Group, Inc. (the "Debtor") filed a Chapter 11 bankruptcy on October 3, 2012.
2. The case was converted to a Chapter 7 on January 18, 2013.

3. Robert J. Blackwell was appointed Chapter 7 Trustee on January 21, 2013.
4. On January 21, 2013, an Order Granting Trustee's Motion to Authorize Trustee to Operate Debtor's Business (the "Operating Order") was signed, and entered on January 22.
5. At the time of entry of the Operating Order the Debtor was operating approximately 56 stores, an office, a website retail sales operation, and a warehouse, and conducting a Court approved going-out-of-business sale.
6. The last of the retail stores were closed during the week of February 18, 2013.
7. The Debtor had operated as many as 200 stores until December 31, 2012.
8. The Debtor's fiscal year ended approximately February 2, 2013.
9. The Debtor had multiple bank accounts, and the going-out-of-business sale during only the period of time covered by the Chapter 7 generated over \$7,000,000 in receipts.
10. On February 28, 2013, the Court approved, and the Trustee closed on, a sale of substantially all the Debtor's assets, for a gross sale price of \$2,450,000.
11. On or about March 13, 2013, pursuant to the order approving the sale of substantially all the Debtor's assets, the secured lender of the Debtor, Salus Capital Partners, LLC ("Salus"), paid their secured claim, in an agreed upon amount, as of that date in full.
12. Salus and the Trustee filed a joint discharge motion presently set for May 1, 2013.
13. Subsequently a vendor made a claim against a letter of credit issued by Salus.
14. Depending on the result of said claim, and/or the ruling on the joint motion, Salus may or may not be paid in full, and Salus asserts a lien on all property of the Debtor. As a result, funds that are being used by the Trustee may or may not be cash collateral.

15. The Debtor further incurred many expenses during the operation of the business post-conversion which included payroll, benefits, utilities, liquidators, courier, and miscellaneous related expenses.
16. The Debtor, and by reason thereof the Trustee, further has reporting and bookkeeping requirements due to the operations, and is obligated both by requirements of the United States Trustee and the Bankruptcy Code to keep and maintain certain records, and is required to file returns and reports with other agencies and States and the United States government.
17. There is a substantial quantity of records that must be kept, which requires identifying, compiling, indexing, moving and storing these records, to comply with the requirements.
18. Additionally, bank accounts must be reconciled and closed, and records concerning sales and expenses prepared, and reports and returns prepared.
19. The Trustee, in complying with these requirements, continued to operate the business of the Debtor through March, 2013 with some full time employees and in April with some part-time employees.
20. During March, ordinary course expenses of the business operations were being received, verified, and paid.
21. During April, the Trustee has been reduced to using 5-10 part time employees, still operating at the Debtor's office, mainly to continue to close books, prepare reports, compile, organize and store records, and to restore computer records.
22. Some billings from the operation of the Debtor's stores are still being received, identified and verified, and those from the operation of the business of Debtor either have been paid or are scheduled to be paid.

23. Utility bills have been the subject of a separate order establishing a deposit to guarantee payment, and the Trustee has been paying such utility billings from the operation of the stores, office and warehouse through March, and office and warehouse through April, and has received some further billings.
24. The Debtor is further leasing space as a result of occupation of the office and warehouse. The Trustee is seeking, by separate Motion, the approval of rejection of those leases as of April 30, 2013.
25. The Trustee earlier obtained an order granting the Emergency Motion for Authority to Transport, Store, Abandon and Destroy Property and Request for Related Relief (the "Property Order"). This Property Order further authorized the Trustee to pay expenses associated with the Trustee's computer in Ohio and moving and relocating the same. The Trustee is in the process of moving said computer.
26. Some billings being received either appear to be pre conversion and/or prepetition, and some billings may or may not be legitimate obligations of the Debtor and/or legitimate ordinary course expenses incurred during the Chapter 7.
27. Other billings may be due to executory contracts of the Debtor, but the Trustee has not assumed those contracts. Some contracts were not immediately rejected by the Trustee and arguably may have been beneficial to the Chapter 7 bankruptcy estate. Due to use of the services prior to automatic rejection, some contracts that were necessary to maintain records or services or assets needed by the estate were paid. Other rejected contracts were of no benefit and the goods or services may not have been used since the Chapter 11, or prior to that.
28. The Trustee paid many of the ordinary course billings received through the authority of the Operating Order.

29. The Trustee also has declined to pay some billings for a variety of reasons, including that the services or contract were not used or needed or may or may not be ordinary course expenses of the Debtor incurred during the Chapter 7.

**Relief Requested**

30. Due to the limiting of the business operations as time passes and expenses or anticipated expenses necessary for the Trustee to complete the winddown of Debtors business, and to avoid possible issues as to reporting or authority, the Trustee is asking for an order specifically granting the authority to continue to incur and pay certain Chapter 7 administrative expenses associated with the winding down of Debtor's business, including, but not limited to:

- a) Utilities expenses on leased stores, office and warehouse, incurred post conversion, and
- b) Reconciliation and closing of the bank accounts and books of the Debtor, and
- c) Employee wages and expenses, either full time or part time, and other expenses associated with preparing and working on and filing reports, returns and documents for various agencies and states and government units or the court, and
- d) Payrolls taxes and benefits, if any, and
- e) Courier services, copier costs, phone costs, and similar incurred during the winding down of operations.
- f) Any and all additional expenses necessary, in the Trustee's reasonable business judgment, to complete the winddown of Debtor's business operations.

31. The Trustee believes such authority is necessary to complete the orderly winding down of the business operations and the orderly administration of the estate.

**Waiver of Rule 6004(h)**


32. Given the pressing timelines for matters to complete the winddown, Trustee requests that the 14 day stay of Bankruptcy Rule 6004(h), to the extent applicable, be waived.

**Notice**

33. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) all parties listed on the Master Notice List, last updated on January 10, 2013; (b) all parties that have requested special notice pursuant to Bankruptcy Rule 2002; and (c) all non-Debtor employee persons or entities known to the Trustee that have or have asserted a chapter 11 administrative expense claim. In light of the nature of the relief requested herein, the Trustee submits that no other or further notice is necessary.

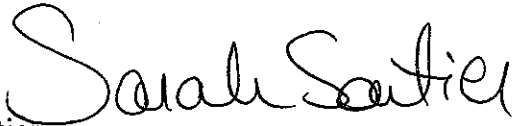
WHEREFORE, the Trustee requests that the Court approve the Trustee's Motion to: (A) Approve Final Winding Down of Business Operations, (B) Approve Payment of Related Expenses and Costs in Connection Thereto and (C) Authorize Trustee to Take Any and All Action Necessary to Complete the Winddown of Debtor's Business; and for such other orders as the court deems just.

Respectfully submitted,  
**BLACKWELL & ASSOCIATES, P.C.**

/s/ Steven N. Beck   
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Attorney for Trustee  
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(636) 240-3632 / Fax (636) 240-6803  
sbeck@blackwell-lawfirm.com

**CERTIFICATE OF SERVICE**

I, Sarah Soutier, hereby certify that on April 19, 2013, a copy of this document was served on all parties receiving notice through Master Notice List No. 8 and Master Service List No. 8, both dated January 10, 2013, and the attached list of Chapter 11 claimants, either electronically through the Court's CM/ECF system.

  
/s/ Sarah Soutier

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P.O. BOX 7802  
REDLANDS CA 92375S

IMON PROP. GRP. (TX), LP  
867728 RELIABLE PARKWAY  
CHICAGO IL 60686-0077

FAIRLANE TOWN CENTER LLC  
DEPARTMENT 52001  
P.O. BOX 67000  
DETROIT MI 48267-0520

URBANCAL OAKLAND MALL  
6621 PAYSPHERE CIRCLE  
CHICAGO IL 60674

7703-KING OF PRUSSIA  
ASSOCIATES  
dba BAKERS UNIT NO. 1148  
P.O. BOX 829412  
PHILADELPHIA PA 19182-9412

OAKRIDGE MALL LP  
FILE NUMBER 55714  
LOS ANGELES CA 900745714

TOWN CENTER AT COBB LLC  
dba BAKERS UNIT NO. OG17  
P.O. BOX 281552  
ATLANTA GA 30384-1552

GGP-FOUR SEASONS L.L.C.  
SDS-12-2427  
P.O. BOX 86  
MINNEAPOLIS MN 55486-2427

LAKESIDE MALL PROPERTY  
LLC SDS-12-2772  
PO BOX 86  
MINNEAPOLIS MN 55486-2772

MAYFAIR MALL LLC SDS-12-  
1637  
PO BOX 86  
MINNEAPOLIS MN 55486-1637  
UNION SEVENTY  
PARTNERSHIP  
C/O GREEN STREET REALTY  
3901 UNION BLVD STE 104A  
ST LOUIS MO 63115

SIMON PROP GROUP (IL) LP  
867905 RELIABLE PARKWAY  
CHICAGO IL 60686-0079

DEL AMO FASH CENTER  
dba BAKERS UNIT NO. 238  
P.O. BOX 409657  
ATLANTA GA 30384-9657

TAUBMAN CHERRY CREEK S/C  
DEPARTMENT 89801  
P.O. BOX 67000  
DETROIT MI 48267-0898

TJ PALM BEACH ASSOCIATES  
DEPARTMENT 176401  
P.O. BOX 67000  
DETROIT MI 48267-1764

NORTH PARK PARTNERS LP  
P.O. BOX 226864  
DALLAS TX 75222-6864

CROSSGATES MALL COMPANY  
NEWCO LLC  
M&T BANK  
P.O. BOX 8000 DEPT No. 977  
BUFFALO NY 14267

SHOPPING CENTER  
ASSOCIATES  
9136 PAYSPHERE CIRCLE  
CHICAGO IL 60674

DEL AMO FASHION CENTER  
dba WILD PAIR UNIT NO. 81  
P.O. BOX 409657  
ATLANTA GA 30384-9657

PINNACLE HILLS LLC  
P.O. BOX 860066  
MINNEAPOLIS MN 55486-0066

SOUTHPARK MALL LP  
P.O. BOX 409276  
ATLANTA GA 30384-9276

3341 SOUTH LINDEN RD  
HOLDINGS LLC  
PO BOX 934974  
ATLANTA GA 31194-4974

WEST COUNTY MALL CMBS  
P.O. BOX 74045  
CLEVELAND OH 44194-4045

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4833 EVERETT AVENUE  
VERNON CA 90058

CHINESE LAUNDRY (DIV OF  
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3485 S. LA CIENEGA BLVD.  
LOS ANGELES CA 90016

GUARD INDUSTRIES INC  
3333 WASHINGTON BLVD  
ST. LOUIS MO 63103

BESTFIT INTERNATIONAL INC.  
900 CANADA COURT  
CITY OF INDUSTRY CA 91748

NITIN ENTERPRISES INC.  
389 5TH AVENUE 611  
NEW YORK NY 10016

DEM FON INTERNATIONAL  
55-62 56TH STREET  
MASPETH NY 11378



PACIFIC WHOLESALE  
5252 BOLSA AVENUE  
HUNTINGTON BEACH CA 92649

BEARPAW  
7534 OLD AUBURN ROAD  
CITRUS HEIGHTS CA 95610

AMIEE LYNN INC  
366 FIFTH AVE-4TH FLOOR  
NEW YORK NY 10001

NOT RATED-DIV OF KIA GROUP  
16516 VIA ESPRILLO SUITE 100  
SAN DIEGO CA 92127

JUMP FOOTWEAR  
4400 ROUTE 9 SOUTH  
SUITE 1000  
FREEHOLD NJ 7728

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11 FLOOR  
NEW YORK NY 10001

EASTSTAR SOLUTIONS,LTD  
DBA MOJOMOXY  
11801 W. FAIRVIEW AVE.  
MILWAUKEE WI 53226

GMPC, LLC  
1202 W. OLYMPIC BLVD.  
SANTA MONICA CA 90404

SASHA HANDBAGS, INC.  
460-A MAIN AVENUE  
WALLINGTON NJ 7057

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Los Angeles CA 90021

Penny Loves Kenny by Titan Ind.  
5252 BOLSA AVE.  
HUNTINGTON BEACH CA 92649

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NORTH PROVIDENCE RI 2911

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ANTONIO  
5161 RICHTON STREET  
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YRU INC. / CUTE TO THE CORE  
13963 RAMONA BLVD #E&F  
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RFA HOLDING GROUP LLC  
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761 MAIN AVENUE  
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TRIPRO GRAPHICS &  
PACKAGING LLC  
1550 OCELLO DRIVE  
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DYNAMIC VENDING INC.  
5433 EAGLE INDUSTRIAL CT.  
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